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Insurance Commissioner

Insurance Department Press Release

For Immediate Release

For Immediate Release January 5, 2000

Today, New Hampshire Insurance Commissioner Paula T. Rogers had the following statement regarding the appointment of Massachusetts Insurance Commissioner, Linda Ruthardt, as Temporary Receiver of Harvard Pilgrim Health Care Inc.

"It is very early in the rehabilitation process of Harvard Pilgrim. While I do not know whether rehabilitative efforts will be successful, I do anticipate a dedicated effort from Commissioner Ruthardt. Our Department is presently engaged in a review and analysis of appropriate regulatory measures available to us in New Hampshire as we assess the potential for market disruption posed by the financial straits of Harvard Pilgrim.

"A primary focus is to insure the continuity of health coverage for New Hampshire residents currently insured by Harvard Pilgrim. New Hampshire Harvard Pilgrim members include approximately 34,000 residents who are insured through Harvard Pilgrim Health Care of New England, Inc. licensed to do business in this State, and an additional 18,000 to 20,000 New Hampshire residents employed in Massachusetts and insured through Harvard Pilgrim Health Care, Inc. or Pilgrim Health Care, Inc.

"While Harvard Pilgrim is in, and may emerge, from rehabilitation, I nonetheless would advise insureds of Harvard Pilgrim to consider other health insurance options currently available to them. My Department has contacted both Anthem Blue Cross and Healthsource New Hampshire today and the management of each HMO has confirmed that they are ready and able to process new insureds. It is important for Harvard Pilgrim's New Hampshire contract-holders and members to know that they have specific protection under New Hampshire law. HMOs and insurers that offer coverage to small employers (those with 100 or fewer employees) must issue coverage to anyone who applies. New Hampshire also has continuity of coverage protection for individuals with pre-existing medical conditions. This means that any health insurance obtained by employers or self-employed individuals to replace Harvard Pilgrim coverage cannot exclude pre-existing conditions that were covered by Harvard Pilgrim.

"As to providers of health care services to Harvard Pilgrim members, I understand that the Massachusetts Rehabilitation Order specifically instructs such providers to continue to provide services and supplies to Harvard Pilgrim members. Commissioner Ruthardt has assured me that she has placed these health care providers in the highest class of creditors seeking funds.

"I anticipate continuing communication with Commissioner Ruthardt as matters relating to Harvard Pilgrim develop."

Providers, subscribers or others with questions, may call either the Massachusetts Bureau of Insurance at 617-521-7777, or this Department at 603-271-2261. Additionally, the Department's website will be updated regularly as more information becomes available and may be accessed at www.state.nh.us/insurance.